



COMMONWEALTH OF KENTUCKY
OFFICE OF THE GOVERNOR

PAUL E. PATTON
GOVERNOR

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For Immediate Release, June 19, 2001
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**GOVERNOR DIRECTS MORATORIUM ON PERMITS FOR
NEW POWER PLANTS, APPOINTS ENERGY ADVISORY BOARD**

FRANKFORT, Ky. (June 19, 2001) – Governor Paul Patton today issued an Executive Order which directs state agencies to temporarily suspend, beginning June 20, the acceptance of applications for new electric generating facilities. The Natural Resources and Environmental Protection Cabinet (NREPC) and the state Public Service Commission (PSC) have been ordered to suspend acceptance of these applications, study a variety of environmental and energy issues and report their findings to the Governor by Dec. 7, 2001.

“It is important that we ensure a continued, reliable source of energy for our citizens but it is also necessary that we study the potential effects that additional air emissions from new plants could bring to the state as well as their effect upon the electric supply grid,” Patton said. “We must strive to strike a balance between our energy needs, our ability to generate energy for others and our commitment for a clean, safe environment.”

Patton ordered the NREPC to study the cumulative environmental effects of new power plants as well as the impact new plants could have on existing environmental programs. The Executive Order directs the PSC, and other agencies, to study the need for new electric generating capacity, the impact on the electric supply grid, facility siting and economic development issues.

Since October 1999, the state Division for Air Quality (DAQ) has received applications for permits for approximately 23 electric generating units in the state including coal and gas fired units. DAQ has issued permits for 13 of those units.

Patton's order does not affect any applications that have already been filed with the cabinet or the commission and the suspension on accepting new permits will not exceed 180 days.

The Order directs each agency to give particular attention to the utilization of Kentucky coal in the generation of electric power.

Citing the need to maintain and maximize Kentucky's low-cost energy advantage, Governor Patton signed an Executive Order on May 16, 2001 that would create the Kentucky State Energy Policy Advisory Board to develop a statewide energy policy. Today, the Governor announced the expansion of the board and the entire list of its members.

-MORE-



AN EQUAL OPPORTUNITY EMPLOYER M/F/D

-CONT'D-

"As I said last month, Kentucky enjoys some of the lowest electricity and energy costs in the nation and we need to find a way to preserve and promote this resource for our families and businesses," Governor Patton said. "I expect this Board to analyze methods, actions and market responses that will improve the utilization of Kentucky coal as an electricity generating source both nationally and internationally."

POWER PLANTS
Status Report 6/18/01

- The following is the current status of Proposed Electricity Generating Units Under Review

Status	County	Name	Size	Fuel Type
Under Review (Draft permit public noticed 6/13/01)	Clark	East Kentucky Power – J. K. Smith Station	312 MW	Natural Gas/Oil Peaking
Under Review (Application received 4/26/01)	Estill	Calla Energy	110 MW	Waste Coal – Baseload
Under Review (Draft to supervisor for review 4/26/01)	Marshall	Enron – Calvert City Power	540 MW	Natural Gas – Peaking
Application Received 6/14/01	Marshall	Enviropower – Kentucky Western Power	500 MW	Waste Coal – Baseload
Under Review (Draft projected to supervisor 7/27/01)	Marshall	Westlake Energy	520 MW	Natural Gas – Cogeneration
Under Review (Application Received 5/25/01)	Martin	Enviropower – Kentucky Eastern Power	500 MW	Waste Coal – Baseload
Under Review (Application Received 4/24/01)	Mason	East Kentucky Power – Spurlock	270 MW	Coal – Baseload
Under Review (Application complete 4/23/01)	Muhlenberg	Thoroughbred Generating	1500 MW	Coal – Baseload
Under Review (Public hearing scheduled 6/18/01)	Trimble	LG&E – Trimble Station	1020 MW	Natural Gas – Peaking

- Current List of Newly Permitted Electricity Generating Units Since 10/1/99

Status	County	Name	Size	Fuel Type
Permit issued: 2/27/01	Breckenridge	Dayton Power and Light – Hardinsburg	400 MW	Natural Gas/Oil – Peaking
Permit issued: 10/19/00	Campbell	Trigen – Cinergy Solutions of Silvergrove	20 MW	Natural Gas – Peaking
Permit issued: 6/7/01	Clark	Global Energy – Kentucky Pioneer Energy LLC	540 MW	Gasified Coal/Gasified Garbage – Baseload
Permit issued: 8/17/00	Henderson	Columbia Electric Corp. – Grane Creek	500 MW	Natural Gas – Peaking
Permit issued by Air Pollution Control District of Jefferson County: 12/17/99	Jefferson	I.G.&R – Paddy's Run	151 MW	Natural Gas – Peaking
Permit issued: 5/4/01	Kenton	Cinergy – Erlanger	96 MW	Natural Gas – Peaking
Permit issued: 5/4/01	Knott	Enviropower – Kentucky Mountain Power	500 MW	Waste Coal – Baseload
Permit issued: - 2/24/00 Phase 1 Permit issued: 2/2/01 - Phase 2	Lawrence	Dynegy – Riverside Generation	1040 MW	Natural Gas – Peaking
Permit issued: 7/7/00	Marshall	Duke Energy – Marshall County Generation	640 MW	Natural Gas/Oil – Peaking
Permit issued 10/1/99	Marshall	Air Products and Chemicals	26 MW	Natural Gas – Cogeneration
Permit issued: 4/25/01	Metcalf	Duke Energy – Metcalf County Generation	640 MW	Natural Gas/Oil – Peaking
Permit issued: 2/25/00 - Phase 1 Permit issued 6/5/01 – Phase 2	Oldham	Dynegy – Bluegrass Generation Phase I - 2 turbines, Phase II - 1 turbine	624 MW	Natural Gas – Peaking



PAUL E. PATTON
GOVERNOR

EXECUTIVE ORDER

RECEIVED AND FILED
DATE 5/17/2001
JOHN Y. BROWN III
SECRETARY OF STATE
COMMONWEALTH OF KENTUCKY
BY JS

Secretary of State
Frankfort
Kentucky

2001 - 607
May 16, 2001

RECEIVED
MAY 17 2001

RELATING TO ESTABLISHMENT OF THE
KENTUCKY ENERGY ADVISORY BOARD

WHEREAS, reliable energy for businesses and the citizens of the Commonwealth is a basic necessity and is essential for the safety, health, and welfare of the state's citizens and economy; and

WHEREAS, Kentucky enjoys some of the lowest electricity and energy costs in the nation and there is significant value in maintaining and maximizing the state's low-cost advantage; and

WHEREAS, recent efforts in other states at deregulating retail electricity markets, the absence of federal legislation on this issue, and federal deregulation of wholesale electricity markets have led to volatile market behavior for obtaining wholesale electricity; and

WHEREAS, domestic and global energy issues have resulted in recent dramatic price increases which have had a negative effect on the state and national economy; and

WHEREAS, the need exists to develop future energy supplies, with reasonable prices to accommodate demand, and to establish governmental alliances with business communities so as to promote energy development and



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EXECUTIVE ORDER

Secretary of State
Frankfort
Kentucky

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May 16, 2001

exportable energy products while pursuing new technologies, all of which will help to promote and maximize efficiency in our energy markets; and

WHEREAS, we must ensure that all citizens have access to basic energy requirements, as well as ensure that the state's energy supply is reliable, safe, affordable, efficient, and environmentally sound; and

WHEREAS, it is in the best interest of the Commonwealth to establish programs that enable residential customers with low incomes to afford and manage basic energy services; expand protections to assure that all residential customers are able to maintain energy services; ensure the integrity, reliability, and safety of the electric system; ensure adequate investment in, and regular inspection and maintenance of, power plants, transmission lines and utility facilities;

NOW, THEREFORE, I, Paul E. Patton, Governor of the Commonwealth of Kentucky, acting pursuant to the authority vested in me by the Constitution and KRS 12.028, do hereby order and direct the following:

1. There is hereby created and established the Kentucky State Energy Policy Advisory Board (hereafter called the "Board"), which shall be responsible for the planning and development of a coordinated statewide energy policy. The Board shall be attached to the



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Kentucky Public Service Commission for administrative purposes.

The Kentucky Public Service Commission may hire an executive director for the board and provide staffing assistance as necessary and may expend appropriated funds on behalf of the Board.

2. The membership of the Board shall include:

- a. The Governor's designee;
- b. Secretary of Natural Resources and Environmental Protection Cabinet or his or her designee;
- c. Secretary of the Public Protection and Regulation Cabinet or his or her designee;
- d. Secretary of the Economic Development Cabinet or his or her designee;
- e. Chairperson of the Public Service Commission or his or her designee;
- f. Director of the Division of Energy, Department of Natural Resources or his or her designee;
- g. Director of the Kentucky Center for Applied Energy and Research, University of Kentucky or his or her designee;
- h. Four (4) gubernatorial appointees, one (1) representing the Kentucky Coal Industry, one (1) representing the Kentucky



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Utility Industry, one (1) consumer, one (1) environmental
advocate.

3. The Gubernatorial appointees shall initially serve staggered terms and thereafter four (4) year terms. The Governor shall appoint the Chairperson of the Board who shall serve at the pleasure of the Governor.
4. The duties of the Board shall include but are not limited to the following:
 - a. Develop and propose the implementation of a statewide energy policy and strategic agenda for the Commonwealth.
 - b. Study the functioning of energy markets throughout the United States and internationally and devise a strategy for maximizing Kentucky's low cost advantages in supplying affordable and reliable power.
 - c. Make energy public policy recommendations based on relevant, objective information and analyses to the Governor, General Assembly and other federal, state and local decision makers that promote affordable energy supplies, improve energy reliability and enhance health, economic well-being and environmental quality.



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- d. Collect targeted energy data and provide policy makers, consumers and other market participants with useful, objective information and analyses based on that data.
- e. Recommend long-range energy supply and demand options with particular emphasis on energy resource development within the state.
- f. Assess long-term demand for energy in the state and develop a plan for the adequacy of future electric generation and transmission.
- g. Coordinate energy related programs throughout the state and recommend to the Governor and the General Assembly policies, programs and strategies to improve energy related efforts.
- h. Provide services and programs to consumers and other market participants to improve the functioning of energy markets and to encourage the economic, efficient, effective, and environmentally responsible use of all forms of energy.
- i. Analyze methods, actions and market responses that will improve the utilization of Kentucky coal as an electricity generating source both nationally and internationally.
- j. Provide a forum for state agencies to raise and discuss in a comprehensive manner issues that address, among other things, energy use, energy demand, energy technology, energy supply,



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May 16, 2001

energy price and the environmental impacts of energy and synchronize their various efforts to form a cohesive energy strategy for the future.

k. Identify opportunities for, and concerns of, the state in managing its future energy requirements, especially with regard to conservation.

l. Devise a coordinated strategy among all agencies, including the Kentucky Center for Applied Energy and Research, University of Kentucky, to maximize federal grant opportunities for energy research, especially clean coal technology research and clean coal applied research.

m. Respond to requests of the General Assembly to review or examine issues requiring consideration and policy formulation and examine the energy component of the state's economy as it affects citizens, government, commerce and industry.

5. The Board shall meet as it deems appropriate. Non-state employee members shall be eligible to receive actual and reasonable travel expense.

6. The Board may impose reasonable reporting requirements on other state agencies and private entities in the business of supplying energy and energy services to consumers to provide information to



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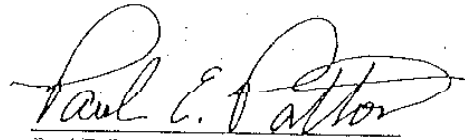
EXECUTIVE ORDER

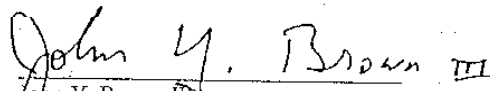
Secretary of State
Frankfort
Kentucky

2001 - 607
May 16, 2001

the Board as the Board deems necessary for it to carry out its
planning and decision-making responsibilities.

7. The Finance and Administration Cabinet, the Personnel Cabinet
and the Governor's Office for Policy and Management shall take
all necessary action to effectuate this Order.


Paul E. Patton
Governor


John Y. Brown III
Secretary of State



PAUL E. PATTON
GOVERNOR

EXECUTIVE ORDER

RECEIVED AND FILED
DATE 6/19/2001
2:11 pm
JOHN Y. BEOTON III
SECRETARY OF STATE
COMMONWEALTH OF KENTUCKY
BY DS

Secretary of State
Frankfort
Kentucky

2001-771
June 19, 2001

RELATING TO THE ESTABLISHMENT OF A
MORATORIUM ON PERMITS FOR NEW POWER PLANTS

WHEREAS, it is the goal of the Commonwealth of Kentucky to protect the public health and safety of its citizens and assure that they have an adequate and uninterrupted supply of electricity; and

WHEREAS, the Natural Resources and Environmental Protection Cabinet is charged with enforcing the Commonwealth's environmental laws; and

WHEREAS, the Public Service Commission is charged with regulation of the provision and generation of electricity for the use of the citizens of the Commonwealth; and

WHEREAS, a national increase in demand for electricity has brought a renewed interest in the development of new electric generating capacity in the Commonwealth; and

WHEREAS, the development of new electric generating capacity results in environmental and other impacts on the Commonwealth and its communities, as well as impacts on current electric supply and transmission systems; and

WHEREAS, it is necessary that the Commonwealth's current programs dealing with the permitting, siting, and other impacts of electric generating facilities be reviewed to assess the ability to respond to the additional stresses resulting from the development of new electric generating capacity; and

WHEREAS, it is necessary that these impacts be fully reviewed to ensure a continued reliable source of supply for the citizens of the Commonwealth and the continued environmental and economic vitality of the Commonwealth and its communities; and



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Frankfort
Kentucky

2001-771
June 19, 2001

WHEREAS, it is necessary to evaluate the effect of additional air emissions resulting from the development of new electric generating capacity on the Commonwealth's ability to comply with the provisions of the federal Clean Air Act;

NOW, THEREFORE, I Paul E. Patton, Governor of the Commonwealth of Kentucky, by virtue of the authority vested in me by Sections 69 and 81 of the Kentucky Constitution and Chapters 224 and 278 of the Kentucky Revised Statutes, do hereby Order and Direct the following:

1. Effective June 20, 2001, the acceptance by the Natural Resources and Environmental Protection Cabinet of applications for new air, water and waste permits for electric generating facilities, including but not limited to electric generating units, is hereby suspended for a period of time not to exceed 180 days. This suspension shall not apply to applications for new air, water or waste permits for a facility, if, prior to the effective date of this Order, the facility has submitted an application for any new air, water or waste permits for that facility.
2. During this suspension, the Natural Resources and Environmental Protection Cabinet is directed to study the cumulative environmental effects of the development of new electric generating capacity, as well as the resulting impact on existing environmental programs administered by the Cabinet, including compliance with the Clean Air Act, the Clean Water Act, the Resource Conservation and Recovery Act, and their state equivalents.
3. Effective June 20, 2001, the acceptance by the Public Service Commission of new applications for certificates of convenience and necessity and environmental compatibility to construct new electric generating facilities, including but not limited to, electric generating units, and for declarations that a new electric generating facility is exempt from such certificate requirements, is hereby suspended. This suspension shall not exceed 180 days. This suspension shall not apply to applications for certificates of convenience and necessity and environmental compatibility for a facility, or a declaration that a facility is exempt, if an application for such a certificate or declaration has been received by the Public Service Commission prior to the effective date of this Order.
4. In addition, the Public Service Commission and other state agencies, as appropriate, shall review and study other issues relating to the need for and development of new electric generating capacity, including, but not limited to, the impact on the electric supply grid, facility siting issues, and economic



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Frankfort
Kentucky

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June 19, 2001

development matters with the goal of ensuring a continued, reliable source of supply of electricity for the citizens of the Commonwealth and the continued environmental and economic vitality of the Commonwealth and its communities.

5. The agencies affected by this Order are directed to give particular attention in their review and study to means by which the utilization of Kentucky coal in the generation of electric power can be preserved and enhanced
6. The results of the review and study by the agencies affected by this Order shall be provided to the Governor in the form of written recommendations no later than December 7, 2001.
7. The Secretary of the Natural Resources and Environmental Protection Cabinet and the Public Service Commission shall take all steps necessary to implement this Order.

A handwritten signature in cursive script, reading "Paul E. Patton".

Paul E. Patton, Governor
Commonwealth of Kentucky

A handwritten signature in cursive script, reading "John Y. Brown III".

John Y. Brown III, Secretary of State



PAUL E. PATTON
GOVERNOR

EXECUTIVE ORDER

RECEIVED AND FILED
DATE 6/19/2001
2:12 pm
JOHN Y. BROWN III
SECRETARY OF STATE
COMMONWEALTH OF KENTUCKY
BY 25

Secretary of State
Frankfort
Kentucky

2001 - 772
June 19, 2000

RELATING TO EXPANSION
OF THE KENTUCKY ENERGY ADVISORY
BOARD AND APPOINTMENTS

WHEREAS, Executive Order 2001-607 provides that the Kentucky Energy Advisory Board, hereinafter "Board", is composed of one (1) gubernatorial appointee representing the Kentucky Utility Industry; and

WHEREAS, expansion of the Board membership would allow additional input for a more effective governance and consideration of energy related issues; and

WHEREAS, it has been determined that the best interest of the Board would be served by expansion of the membership to include an additional representative of the utility industry:

NOW, THEREFORE I, PAUL E. PATTON, Governor of the Commonwealth of Kentucky, acting pursuant to the authority vested in me by KRS 12.029, do hereby Order and Direct the following:

1. The appointive membership of the Board is hereby expanded by three (3) members as follows; from one (1) to two (2) members representing the utility industry to include an additional representative of the utility industry; two (2) additional members shall be appointed, one (1) representing industrial facilities and one (1) representing the interests of the oil and gas industry.
2. The Secretary of the Finance and Administration Cabinet and the Secretary of the Personnel Cabinet shall take all necessary steps to implement this Order.



PAUL E. PATTON
GOVERNOR

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Secretary of State
Frankfort
Kentucky

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3. The remaining provisions of Executive Order 2001-607 continue in full force and effect and are incorporated and made a part of this Order by reference.

4. I hereby appoint the following as members of the Kentucky Energy Advisory Board:

Jack Conway
2339 Saratoga Drive
Louisville, KY 40205
As Chairman of the Board and as the Governor's
Designee to serve for a term expiring June 30, 2005.

Victoria I. Weber
606 Plainview Terrace Drive
Louisville, KY 40223
As the consumer representative to serve for a term
expiring June 30, 2003.

George Siemens
913 Lone Tree Court
Louisville, KY 40223
As a Kentucky Utility Industry representative to serve
for a term expiring June 30, 2005.

Haydon Timons
525 Wood Lake Drive
Lagrange, KY 40031
As a Kentucky Utility Industry representative to serve
for a term expiring June 30, 2004.

Tom Fitzgerald
Kentucky Resources Council
P.O. Box 1070
Frankfort, KY 40602
As the environmental advocate to serve for a term
expiring June 30, 2002.

Robert Addington
Addington Enterprises
1500 North Big Run Road
Ashland, KY 41102
As the Kentucky Coal Industry representative to serve
for a term expiring June 30, 2004.



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GOVERNOR

EXECUTIVE ORDER

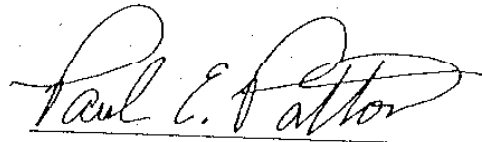
Secretary of State
Frankfort
Kentucky

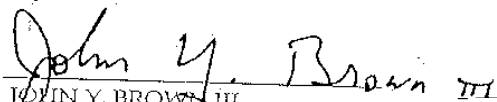
2001 - 772
June 19, 2000

Donald B. Daily
RR#1 Box 320
Ghent, KY 41045-9304
As the Industrial Consumer to serve for a term expiring
June 30, 2003.

Bill Daugherty
123 Whispering Hills
Bertha, KY 40309
As the Oil and Gas Industry representative to serve for a
term expiring June 30, 2002.

Please issue to them a commission.


PAUL E. PATTON
Governor


JOHN Y. BROWN III
Secretary of State